7th Social Science Lesson 8 Questions in English

8. Production

1) The two main activities in an economy are production and ______
   a) Distribution
   b) Consumption
   c) Savings
   d) Fabrication

Explanation: There are two main activities in an economy, production and consumption. Similarly there are two kinds of people, producers and consumers.

2) Which is the process of changing the raw materials into finished product?
   a) Production
   b) Fabrication
   c) Machining
   d) Completion

Explanation: Production is the process of changing the raw materials into finished product.

3) Production in economics refers to the creation of those goods and services which have
   a) Money Value
   b) Exchange Value
   c) Ergonomics
   d) Expiration Value

Explanation: Production in economics refers to the creation of those goods and services which have exchange value. It means the creation of utilities.

4) Which of the Following is not a type of a utility?
   a) Form Utility
   b) Product Utility
   c) Place Utility
   d) Time utility

Explanation: Utility means want satisfying power of a product. Utilities are in the nature of form utility, time utility and place utility.

5) Cotton increases, if it is converted into clothes it is a example for
   a) Form utility
   b) Product utility
   c) Place utility
   d) Time utility

Explanation: Form utility If the physical form of a commodity is changed, its utility may increase. Eg. Cotton increases, if it is converted into clothes.

6) If a commodity is transported from one place to another, its utility may increase it is called
   a) Transport Utility
   b) Place utility
   c) Time Utility
   d) Product Utility

Explanation: Place utility If a commodity is transported from one place to another, its utility may increase. Eg. If rice transported to Tamilnadu to Kerala, its utility will be more.

7) If the commodity is stored for future usage, its utility may increase. It is called
   a) Transport Utility
   b) Time Utility
   c) Place Utility
   d) Form Utility

Explanation: If the commodity is stored for future usage, its utility may increase. Eg. Agricultural commodities like Paddy, Wheat, etc. are stored for the regular uses of consumers throughout the year.

8) Indian Economy is a
   a) Mixed Economy
   b) capitalist Economy
   c) Private Economy
   d) Public Economy

Explanation: Indian Economy is a Mixed Economy. Private and Public Sector are existing together

9) Which is carried out by ‘extractive’ industries like agriculture, forestry, fishing, mining and oil extraction?
   a) **Primary Production**
   b) Secondary Production
   c) Tertiary Production
   d) A and B

Explanation: Primary production is carried out by ‘extractive’ industries like agriculture, forestry, fishing, mining and oil extraction.

10) Which Production includes production in manufacturing industry, turning out semi-finished and finished goods from raw materials?
   a) Primary
   b) **Secondary**
   c) Tertiary

d) Mixed

Explanation: Secondary Production This includes production in manufacturing industry, turning out semi-finished and finished goods from raw materials and intermediate goods, conversion of flour into bread or iron ore into finished steel.

11) The banking, insurance, transport and communications comes under the
a) Secondary
b) Primary
c) **Tertiary**
d) Basic

Explanation: Industries in the tertiary sector produce all those services which enable the finished goods to be put in the hands of consumers. In fact, these services are supplied to the firms in all types of industry and directly to consumers. Examples cover distributive traders, banking, insurance, transport and communications. Government services, such as law, administration, education, health and defence, are also included.

12) The most to the Gross Domestic Product of our country is contributed by
a) Primary Sector
b) **Tertiary sector**
c) Private sector
d) Secondary sector

Explanation: The most to the Gross Domestic Product of our country is contributed by the tertiary sector.

13) Which of the Following is factors of production?
a) Primary Factors
b) Tertiary Factors
c) Derived factors
d) Both a and C

Explanation: Factors of production 1. Primary Factors and 2. Derived Factors.

14) Which of the Following is not a Primary Factor?
a) Captial
b) Land
c) Labour
d) All the above

Explanation: Primary factors are land and labour. These are naturally given and without them no goods can be produced.

15) Which of the Following is Derived Factors?
a) Land and Product

b) **Capital and Organisation**
c) Labour and Capital
d) None

Explanation: Derived factors are Capital and Organization.

16) The derived factors, when combined with the primary factors of production, raise
a) Capital
b) **Total Production**
c) Product Value
d) Labour

Explanation: These derived factors, when combined with the primary factors of production, raise total production.

17) The entrepreneur is also called as
a) Agent
b) **Organiser**
c) Capitalist
d) Mediator

Explanation: The entrepreneur is also called 'Organizer'. In, modern times, an entrepreneur is called 'the changing agent of the society'.

18) Which of the Following is not a Characterstics of Entrepreneur?
a) Deciding the reward payment
b) Making innovations
c) Making Production strategies
d) Identifying profitable investible opportunities

Explanation: Characteristics of Entrepreneur • Identifying profitable investible opportunities • Deciding the location of the production unit • Making innovations • Deciding the reward payment • Taking risks and facing uncertainties

19) ________ is a person who combines the different factors of production (land, labour and capital), in the right proportion to initiate production process.
a) CEO
b) **Entrepreneur**
c) Labour
d) None above

Explanation: An entrepreneur is a person who combines the different factors of production (land, labour and capital), in the right proportion and initiates the process of production and also bears the risk involved in it.

20) ______as a factor of production refers to all those natural resources or gifts of nature which are provided free to man.

a) **Land**
b) Labour
c) Capital
d) Organisation

Explanation: Land as a factor of production refers to all those natural resources or gifts of nature which are provided free to man.

21) Which of the following statement is correct?

1) In any kind of production process, we have to start with land
2) It cannot be transported from one place to another

a) 1 alone
b) 2 alone
c) 1, 2
d) None

Explanation: In any kind of production process, we have to start with land. For example, in industries, it helps to provide raw materials, and in agriculture, crops are produced on land. It cannot be transported from one place to another. For instance, no portion of India's surface can be transported to some other country.

22) Regarding land_______ may be varied but it cannot be destroyed completely

a) Fertility
b) Water
c) Resource
d) None

Explanation:There are some original and indestructible powers of land, which a man cannot destroy. Its fertility may be varied but it cannot be destroyed completely.

23) Who defined labour as, 'the use of body or mind, partly or wholly, with a view to secure an income apart from the pleasure derived from the work'?

a) Alfred Marshall
b) Abdul Kalam
c) Amartya Sen
d) Adam Smith

Explanation: Labour is the human input into the production process. Alfred Marshall defines labour as, 'the use of body or mind, partly or wholly, with a view to secure an income apart from the pleasure derived from the work.

24) ______ is known as Father of Economics and his Economics is wealth Economics

a) Alfred Marshall
b) Adam smith
c) Abdul Kalam
d) Ambedkar

Explanation : Adam smith is known as Father of Economics and his Economics is wealth Economics.He wrote two classic works, "The Theory of Moral sentiments(1759)",and "An inquiry into the nature and causes of the wealth of Nations (1776)".

25) Which of the following statement is incorrect?

1) Labour is more perishable than other factors of production.
2) The labour of an unemployed worker is lost forever for that day when he does not work

    a) 1 alone
    b) 2 alone
    c) 1, 2
    d) None

Explanation: Labour is more perishable than other factors of production. It means labour cannot be stored. The labour of an unemployed worker is lost forever for that day when he does not work. Labour can neither be postponed nor accumulated for the next day. It will perish. Once time is lost, it is lost forever.

26) ______ is an active factor of production.

a) Capital
b) Labour
c) Land
d) All the above

Explanation: Labour is an active factor of production. Neither land nor capital can yield much without labour.

27) Which of the following are features of Labour?

a) Skill and dexterity vary from person to person.
b) Labour cannot be separated from the labourer.
c) Labour is not homogeneous.
d) All the above

Explanation: Labour is not homogeneous. Skill and dexterity vary from person to person. Labour cannot be separated from the labourer. Labour is mobile. Man moves from one place to another from a low paid occupation to a high paid occupation

28) Which of the following statement is correct?

1) Individual labour has only limited bargaining power.
2) when workers combine to form trade unions, the bargaining power of labour increases

    a) 1 alone

b) 2 alone
c) 1, 2
d) None

Explanation: Individual labour has only limited bargaining power. He cannot fight with his employer for a rise in wages or improvement in work-place conditions. However, when workers combine to form trade unions, the bargaining power of labour increases.

29) Which of the following are correctly matched?

1) The Theory of Moral sentiments – 1769
2) An inquiry into the nature and causes of the wealth of Nations – 1776
a) 1 alone
b) 2 alone
c) 1, 2
d) None

Explanation: Adam smith is known as Father of Economics and his Economics is wealth Economics. He wrote two classic works, "The Theory of Moral sentiments(1759)",and "An inquiry into the nature and causes of the wealth of Nations (1776)".

30) The concept 'Division of Labour' was introduced by the Adam Smith in his______ book

a) An enquiry into the nature and causes of wealth of nations
b) The Theory of Moral sentiments
c) Poverty and Un-British rule
d) None

Explanation: The concept 'Division of Labour' was introduced by the Adam Smith in his book 'An enquiry into the nature and causes of wealth of nations'.

31) . Which of the following is/are the merit of division of labour?

a) It improves efficiency of labour when labour repeats doing the same tasks.
b) Narrow specialization reduces the possibility of labour to find alternative avenues of employment.
c) Reduce the growth of handicrafts
d) All the above

Explanation: Merits of division of labour • It improves efficiency of labour when labour repeats doing the same tasks. • Facilities the use of machinery in production, resulting in inventions. Ex. More's Telegraphic Codes. • Time and Materials are put to the best and most efficient use.

32) _______ is the man-made physical goods used to produce other goods and services

a) Land
b) Labour
c) Capital
d) All the above

Explanation: Capital is the man-made physical goods used to produce other goods and services. In the ordinary language, capital means money.

33) According to Marshall, 'Capital consists of those kinds of wealth other than free gifts of nature, which yield income'.

a) Adam Smith
b) Alfred Marshall
c) Sen
d) Gupta

Explanation: According to Marshall, 'Capital consists of those kinds of wealth other than free gifts of nature, which yield income'.

34) Which of the following statement is correct?

1) In economics, capital refers to that part of man-made wealth which is used for the further production of wealth.
2) All wealth is not capital but all capital is wealth.
   a) 1 alone
   b) 2 alone
   c) 1, 2
   d) None

Explanation: In economics, capital refers to that part of man-made wealth which is used for the further production of wealth. All wealth is not capital but all capital is wealth.

35) Which of the following is correctly matched?

1) Physical Capital – Machinery
2) Money capital – securities
3) Human capital - Investments in education
   a) 1 alone
   b) 2 alone
   c) 1, 2, 3
   d) 2, 3

Explanation: Forms of capital : 1. Physical Capital or Material Resources Ex. Machinery, tools, buildings, etc. 2. Money capital or Monetary resources Ex. Bank deposits, shares and securities, etc. 3. Human capital or Human Resources Ex. Investments in education, training and health

36) Which of the following statement is correct?

1) The entrepreneur is also called 'Organizer'.
2) He is not only responsible for producing the socially desirable output but also to increase the social welfare.
   a) 1 alone
   b) 2 alone

c) **1, 2**
d) None

Explanation: The entrepreneur is also called 'Organizer'. In, modern times, an entrepreneur is called 'the changing agent of the society'. He is not only responsible for producing the socially desirable output but also to increase the social welfare.

37) Which of the following are the Characteristics of Entrepreneur?

1) Making innovations
2) Deciding the reward payment
3) Making risks and facing uncertainties

a) 1, 2
b) 2, 3
c) **1, 2, 3**
d) 1, 3

Explanation: Characteristics of Entrepreneur :• Identifying profitable investible opportunities • Deciding the location of the production unit • Making innovations • Deciding the reward payment • Taking risks and facing uncertainties.